



## Excepted Service Compensation System – FY2006 Salary Increase Frequently Asked Questions

A new Excepted Service salary plan was enacted July 6, 2005, through resolution 16-219, "Excepted Service Employees Compensation System Changes Approval Resolution of 2005," with an effective date of July 24, 2005. This new pay schedule will be fully implemented effective March 19, 2006. The new Excepted Service pay schedule moved from the step and grade structure to an 11-level open-range system (ES1 - ES11). Movement within a range is based on performance, not length of service.

### How do I move through a salary range?

You will progress through the new salary range based only on your performance. There are no longer automatic salary increases due to a Last Equivalent Increase date (LEI) or longevity. Instead, all Excepted Service employees' salary increases will take place at the same time, around the beginning of January. **This year, the increases will be implemented during Pay Period 8, which begins March 19, 2006. The increase will be retroactive to January 8, 2006.**

Every year during the specified rating period, employees in the Excepted Service must have their performance formally reviewed by their supervisor through the Performance Management Program (PMP). Based on the final performance rating you receive, a determined percentage increase shall be added to your base wage, as long as the new base salary does not exceed the current range maximum.

### How will my annual salary increase be determined?

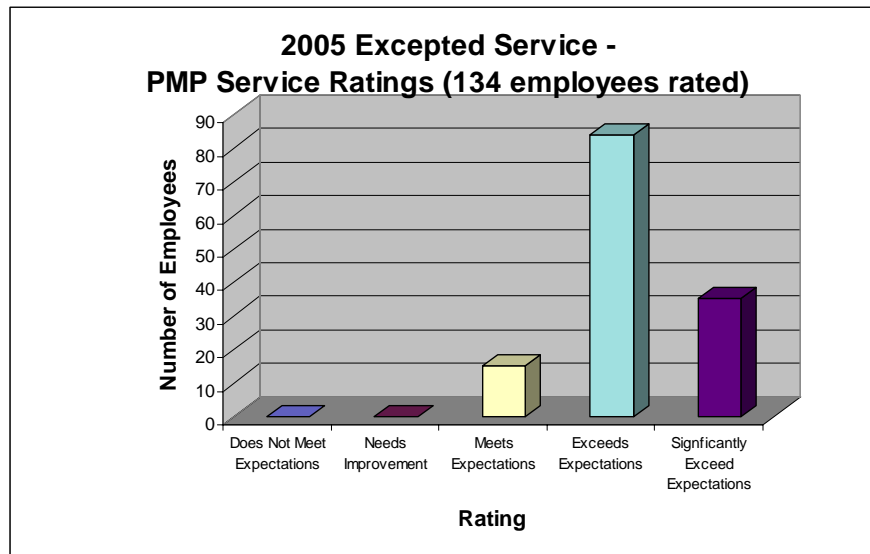
Your progression through an Excepted Service level will be based only on performance, but the determined percentages will be made up of two components: a cost of living increase (or market adjustment) and a merit increase.

In the traditional step plans (the former system), the cost of living was considered the plan's structural adjustment, while the progression to the next salary step was a reward for longevity. In this new system, this longevity element is replaced with variable pay based on performance, also known as merit pay.

Each year the Office of the Chief Financial Officer and DCOP will determine the new increase percentages.



See the chart below for the distribution of FY05 performance ratings:



Why didn't I receive a salary increase in March 2006?

Only eligible Excepted Service employees received a salary increase.

You were **not** eligible if:

- You were hired on or after July 1, 2005
- You were hired prior to July 1, 2005, but do not have an approved FY 2005 performance plan in place; or
- You were hired prior to July 1, 2005, but have not received an evaluation for the period ending September 30, 2005.

If I was hired after July 1, 2005, when will I get an increase?

Your next pay-for-performance increase will be based on your rating for the evaluation period ending September 30, 2006, and will be implemented in January, 2007.

What if I was scheduled to get a performance rating but did not receive one from my manager?

For this year only, we will have a grace period ending April 14, 2006. Managers must submit performance evaluations and plans by that date. If you are in this category, please contact your supervisor and DCOP immediately.



### Why was my salary increase less than the percent indicated by my performance evaluation level?

If we did not move Excepted Service employees off of the old an old pay schedule (due to Peoplesoft issues) with steps and grades, and you received a step increase after July 24, 2005, the amount of your annual pay-for-performance increase will be reduced by the amount of the step increase which you already received.

Here is an example:

- Susie Snowflake was a Grade 15, Step 5 as of July 24, 2005, with a salary of \$86,786.
- In September 2005, Susie received a step increase to a Grade 15, Step 6, or \$89,254 because she was not moved into the open range pay plan yet.
- In December 2005, Susie received an FY05 performance rating of 4, which means she should receive a 5 percent increase on her old July 24, 2005 salary.
- The 5 percent increase is applied to her July 24, 2005, salary because employees should not have been eligible for an increase until after their FY05 performance was reviewed. This would equate to \$91,125.
- Because Susie has already received part of the raise through the step increase (which is the District's former way of providing a salary increase), she will only receive an increase of \$1,871, or the difference between \$91,125 and her salary after the step increase (\$89,254). This equates to a 2.1 percent increase from her current salary.
- Susie will now be moved to the new Excepted Service ES schedule in the ES9 range.

### When will Excepted Service employees receive their next salary increase?

We expect that Excepted Service employees will receive an increase based on their FY 2006 performance ratings in January 2007.

### Can I still receive an Incentive Award?

Managers can still nominate an Excepted Service employee to receive an Excepted Service Performance Incentive award of up to ten percent (10%) of the employee's salary. See the *District Personnel Manual*, Chapter 9, "Excepted Service," for more details. This new Excepted Service salary structure changes only the way Excepted Service base compensation is administered.

### How will salary increases work for Capital City Fellows?

Capital City Fellows will not receive an increase at this time. Separate recommendations by the Director of Personnel will be issued with regard to the pay levels of the Capital City Fellows prior to July 2006.



D.C. Office of Personnel

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